REMARKS

Claims 1-21 stand rejected. Claims 1-6, 8-10, and 12-18 have been amended. No new matter has been added. Applicants respectfully request reconsideration in view of the foregoing amendments.

Claims 1-21 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 7,177,833 ("Marynowski").

Claims 1 and 12 as now amended respectively recite a computer system and a method for exchanging a financial note for a quantity of a financial item. Specifically, claims 1 and 12 respectively recite structure for and steps of calculating a value of the note based upon a level of an index that represents a first set of one or more financial items. The value of the note is expressed in a currency. A quantity of a second, different set of one or more financial items are delivered to the investor in exchange for the note based upon a ratio of the calculated value of the note and the price of the one or more financial items in the second set. Support for these features can be found at least in the specification as originally filed on pages 3-5, 7-9, 11, and 14. Dependent claims 2-6, 8-10, and 13-18 have been amended for proper antecedent basis.

For purposes of illustration only, Applicants present the following example. An investor purchases a financial note that has an initial value of 100 dollars and that is exchangeable into IBM stock with a value of 100 dollars per share. The claimed calculating unit is configured to calculate the value of the financial note based upon the level of an index. In this example, the index is Standard & Poor's 500 ("S&P 500") stock index ("first set of one or more financial items") and the value of the note is expressed in dollars. If the level of the S&P 500 increases by an amount equivalent to 10 dollars, the calculating unit calculates a 10-dollar increase in the value of the financial note to 110 dollars. Thereafter, when the note matures (i.e., a predetermined amount of time elapses) or the holder of the note requests an early exchange, the transaction unit delivers a quantity of IBM shares ("second, different set of one or more financial items") to the investor in exchange for the note. If the price of the IBM shares has decreased from 100 dollars to 55 dollars per share, the ratio between the value of the note (110 dollars) and the IBM shares (55 dollars) is 2. Therefore, the transaction unit delivers 2 shares of IBM stock to the investor.

The claims as currently amended make clear that the value of the financial note purchased by an investor is based upon a level of an index and is expressed in a currency value. The claims as currently amended also make clear that the first set of one or more financial items, which make up the index (e.g., the Dow Jones Industrial Average stock index, the S&P 500 in the example above, the German DAX stock index), are different from the second set of one or more financial items (e.g., the IBM stock in the example above). The claimed computer system and method gives an investor the incentive to purchase a financial note that is exchangeable into a potentially poor-performing second set of one or more financial items (e.g., the IBM stock in the example above) because the value of the note is based upon a potentially better-performing second set of one or more financial items (e.g., the S&P 500 in the example above).

In contrast, Marynowski discloses a trading system that determines whether to submit an order or quote for an option to purchase a security based upon the current market price and the theoretical buy and sell prices of the option. See Marynowski: Abstract; FIG. 3; column 7, lines 7-26. The theoretical buy and sell prices are derived from the current market price of the security underlying the option. Marynowski, however, fails to teach or suggest a calculating unit for calculating a value of a financial note, which is expressed in a currency, based upon a level of an index representative of a first set of one or more financial items, as recited in claims 1 and 12. Moreover, Marynowski fails to teach or suggest a transaction unit for delivering a quantity of a second, different set of one or more financial items to the investor in exchange for the note where the quantity is based upon a ratio of the calculated value of the note and price of the one or more financial items in the second set, as recited in claims 1 and 12.

For at least these reasons, claims 1 and 12 are patentable as they are neither anticipated nor obvious in view of Marynowski.

Furthermore, by virtue of at least their dependency upon claims 1 and 12 and the additional features recited therein, claims 2-11 and 13-21 are also patentable.

CONCLUSION

In view of the above amendments and remarks, it is believed that claims 1-21 are in condition for allowance, and it is respectfully requested that the application be passed to issue. If the Examiner feels that a telephone conference would expedite prosecution of this case, the Examiner is invited to call the undersigned.

Respectfully submitted,

Date: August 22, 2008

/Seth M. Cannon #59,636/

Seth M. Cannon
Reg. No. 59,636
Attorney for the Applicant

Proskauer Rose LLP
One International Place
Boston, MA 02110
Tel. No.: (617) 526-9712
Fax No.: (617) 526-9899